

NORFOLK, VIRGINIA

CITY COUNCIL MEETING

MONDAY, SEPTEMBER 24, 2012 AND TUESDAY, SEPTEMBER 25, 2012

SEPTEMBER 24, 2012

President Fraim called the meeting to order at 8:10 a.m. with the following members present: Mr. Protogyrou, Mr. Smigiel, Dr. Whibley, Ms. Williams, Mr. Winn, Mr. Burfoot. Mr. Riddick was absent.

He thereupon called for the first item of business.

The Mayor asked if there were other items members would like to add to the agenda. Hearing none, he asked the City Manager to proceed to the first agenda item.

The Manager offered introductory remarks and introduced the first agenda item which was a video of an overview of the past year.

ADMINISTRATIVE UPDATE

The City Manager reviewed the six city wide priorities; 1) accessibility, mobility, connectivity; 2) economic vitality and workforce developments; 3) environmental sustainability; 4) lifelong learning; 5) safe, healthy and inclusive community; 6) well managed government.

He then reviewed the performance evaluation mechanism being implemented in the organization.

FINANCIAL OVERVIEW

The City Manager reported the national economy has been adding jobs but job growth has not been occurring in the public sector.

The City's bond rating continues to remain solid by Moody's (Aa2), Standard & Poor (AA) and Fitch (AA+). Efforts will be taken to strengthen the city's bond rating over time. Mayor Fraim commented every time that its

brought up Moody's says either the federal government is going to cut defense spending and will put the city's economy in trouble or the state government could reduce local government funding in response to a weak economy.

FY 2011 ended with a surplus and FY2012 is ending with a surplus. The City exceeded the 5% reserve requirement in both years.

The General Fund Preliminary FY2012 Year End figures projects an \$8 million undesignated balance. Mr. Burfoot asked if the manager anticipated savings in the present fiscal year through project close out and personal savings. The Manager answered in the affirmative but there would not be a single very large savings.

Norfolk Public Schools Preliminary Year End figures indicate there will be a \$3.8 million undesignated balance.

It was also noted meals, hotel and admissions taxes showed growth in FY2012. Business license and recordation taxes also showed growth in FY2012; however, sales tax showed a slight decline.

The Manager noted he would like to increase the City's credit rating over the next 10 years, have a structurally balanced budget within five years and increase the minimum balance for the General Fund reserve from 5% to 7.5%; increase the risk management reserve to a minimum of \$7.1 million, and, increase the economic downturn reserve to minimum of \$8.0 million.

SMART PROCESSING

The City Manager's intent here is to expedite and provide quality services to achieve a more customer friendly process. Examples of how this is being applied include:

- Exploring relocation of building safety office to City Hall to allow one-stop shopping.
- Entering building permit information in Norfolk AIR.
- Develop pilot program to implement electronic site and building plan review.
- Setting up planning to accept credit card payments.
- Allow digital permit application.

Mr. Winn asked if there was going to be a “go to” person that people can connect with and who can provide guidance and assistance to businesses when they apply for permits, licenses, development approval, etc.

Dr. Whibley stated the City should strive to be the most business friendly city anywhere. Mr. Burfoot suggested economic development was the appropriate location for this function and for business attraction and retention.

STRATEGIC PLANNING ROUNDTABLE

Dana Nottingham of Huntley Partners led council in a discussion of economic development. He stated his focus is on implementation and that what he will work with council on is identifying up to six breakthroughs that will allow for working together differently and better.

He asked what strengths are important going forward.

Mr. Burfoot stated one must acknowledge there is a problem and he believes economic development is broken. There is a difference between outside and inside projects and commented it's important to bring prospects to the City, and to examine neighborhood economic development.

Mr. Protogyrou said we should look in the mirror, and that it is council's responsibility to identify businesses and projects. As an example, he wondered why Norfolk isn't the shipping headquarters in the US for other companies like Zim, Maersk and CMA-CGM and that a discussion should occur, a consensus developed and the administration and economic development should be given the vision and allowed to pursue it.

Mr. Burfoot strongly advocated finding an economic development director with deep experience in business and industry.

Mayor Fraim commented from what he's heard from other council members small business development is something that is a priority.

Mr. Smigiel noted council is receiving more information from economic development about what is going on in areas of the City.

Mayor Fraim stated there doesn't seem to be a sense of urgency in the department for bringing business to the City. As to the shipping businesses he agreed with Mr. Protogyrou that the City should be striving to achieve that.

Mr. Protogyrou reiterated his belief that it is council's responsibility to identify a vision, tone and expectations for economic development and instruct the manager to implement it.

Ms. Williams commented she believes the City needs a development director who operates on a holistic level.

Mr. Nottingham summarized the discussion stating with leadership, where and what, the mandate and implementation.

Dr. Whibley commented it was important to have an educated workforce.

NORFOLK PUBLIC SCHOOL FUNDING

The City Manager reported that in terms of per pupil expenditures Norfolk has historically ranked first and second.

Total support for NPS for FY2012 totals \$368.6 million and includes all sources of funds. \$179.7 million is to be received from the State for FY2013. City support is \$107.2 million or 35.5% of NPS operating budget.

The City has lost significant funding due to decline in average daily membership and NPS projects a decline in enrollment out to 2017.

Mr. Smigiel wondered what numbers NPS was using and did they account for such variables as population growth and reduction in dropout rate and does it include private school students.

The Local Composite Index (LCI) is used to determine a locality's ability to support public education and a higher LCI the more the locality has to provide. Norfolk's LCI has been increasing since 2010.

NPS support from the federal government for FY2013 is \$4.8 million and includes impact aid, medical reimbursement, NJROTC and Telecom Discount Rate.

City support increased by \$2.7 million for FY2013. The City's support has increased while average daily membership has decreased.

Dr. Whibley stated the council needs to hear from NPS on what they need to meet the educational needs of students and needs to have a frank discussion with the school board.

The Mayor stated after reviewing the information he believes the City could do a better job in funding the system.

Capital funding already approved will allow for building two new schools and the design of two additional schools over the next 5 years. Council discussed options for funding and building schools to include public private partnership agreements and the Mayor suggested increasing the real estate tax by 2 cents to advance two more schools.

PARKING ENTERPRISE FUND

Joanne Carter and Tim Carden of Public Financial Management presented on the challenge to the parking fund and how best to meet the challenge.

Total budget in FY2012 for parking is \$20.9 million, nearly half of which is for debt service. Expenses have grown faster than revenues. Presently there is \$157 million in principle outstanding.

Today, recessionary forces and slow economic activity have reduced demand and utilization of parking spaces and there is excess capacity vs. current demand.

Despite challenges, the fundamentals are solid. Norfolk's automation is a best practice for parking operations. Parking demand is not noticeably reduced as a result of light rail and significant revenue declines are not expected.

For the future, \$62.6 million of interim construction financing is to be converted to long-term debt in 2014. The status quo is unsustainable without new strategies and initiatives. The question is what can be done to create long-term financial sustainability. In a best case scenario, rate adjustments would be made to transient, monthly, special events and meter parking. The Mayor expressed concern about the proposed \$5 adjustment to monthly parking and urged exploring other ways to keep it stable, noting competition from the Town Center in Virginia Beach.

Mr. Smigiel suggested increasing the meter violations by \$5. Council discussed other ways to increase revenue for parking.

ARTS DISTRICT

The City Manager, reviewed concepts for the Arts District and recommended the Norfolk Consortium explore a branding and marketing plan to showcase Norfolk as an arts and cultural destination – a way to achieve an arts district is to create an art revitalization district. The suggested mechanism was to create an arts district with an incubator district north of Brambleton Avenue and anchored by the Chrysler Museum.

Mr. Winn advocated fast tracking the proposed. Mr. Protogyrou commented the north of Brambleton area has the Chrysler Museum, the Harrison Opera House, The Virginian-Pilot, TV3 and Rutter Mills that provide a good foundation that will facilitate establishing an arts district.

The Mayor asked the Manager to bring someone to the council who could provide recommendation and a designation of folks who can prepare a business plan. The Mayor asked for a report to council on funding decisions by the consortium.

TOWN POINT PARK

The Manager noted primary use for the park – community daily use, small events and large special events – is not clearly communicated. The current approval process does not require agencies to have a record of successful events or financial stability to reserve dates in the park. Some residents feel current ordinances are too prohibitive of athletic events.

He reviewed current park policies and recommendations for streamlining the date selection process, maintain the nine month application deadline and increase application requirements.

He also recommended amending the Code that would allow for non-standard play when the park is clear of event equipment during park open hours.

Mr. Burfoot and Mayor Fraim urged the Manager to be cautious in the approach to the park noting the turf needs time to rest.

TOP DECK PARKING PROGRAM

The Manager stated this is a proposal to offer discounted parking for qualifying businesses that would receive a discounted rate for 24/7 access in exchange for parking on the top deck of specified parking garages. The pilot program would run for six months in 3 garages for 314 parking spaces on a first come, first served basis. It would utilize a tiered approach with 100 spaces for new businesses at \$40, 100 for existing businesses for \$60 and 100 spaces for new and existing business for \$70. Locations would be West Plume, Boush and Bank Street garages.

TRANSPORTATION UPDATE

Ron Williams, Assistant City Manager, briefed council on this item and included reports on the Bicycle and Pedestrian Trails Commission, Military Highway, Hampton Boulevard, Social Security Building access improvements, the Amtrak Station and The Tide.

- The Bike Commission has set three primary goals; 1) infrastructure development; 2) policy development; and 3) education and advocacy.
- Military Highway – the Commonwealth Transportation Board removed \$54 million from the project. It has been reported it will be restored but the Mayor asked for a meeting at City Hall with local members of the board.
- Hampton Boulevard – there has been a 15% reduction in truck traffic since 2008 and is attributable to a variety of factors such as local use restrictions, increased rail usage and VPA controlled movement being prohibited from using Hampton Boulevard. The Mayor noted the economy likely has a great impact as any other factor.
- Social Security Building – improvements recommended to improve access including extending the existing sidewalks along Lake Herbert Drive, moving bus stops to the north side of the intersection, improve bus stop infrastructure and modify existing ditches on Military Highway. Construction completion is expected by January or February 2013.
- Amtrak – the inaugural VIP train will run 12/11/12 with the inaugural ticketed departure set for 12/12/12.

- Amtrak Station – bids were received last week, construction to begin by November 1, with completion by summer 2013. The St. Julian's Wye project is nearly complete with qualifying runs and quiet zone testing to begin in October.
- The Tide – preliminary final construction costs show the federal share at \$201.4 million or 63.7%; the state share at \$61.5 million or 19.5%; the City share at \$52.9 million or 16.8%.

Council then engaged in discussion about the proposed location for an HRT transfer station on St. Paul's Boulevard versus a location at the future Amtrak Station debating the pluses and minuses of each location. The consensus was to schedule the transfer station for council discussion. The mayor asked to include discussion on the NET bus service to Ghent.

CLOSED SESSION

Motion for closed session was approved for purposes are set out in Clause 3 of subsection (A) of Section 2.2-3711 of the Virginia Freedom of Information Act, as amended:

- (3) Discussion of the disposition of publicly held real property in the downtown area.

Yes: Burfoot, Protogyrou, Smigiel, Whibley, Winn Williams and Fraim.

No: None.

At the conclusion of the meeting a Resolution certifying the closed session was adopted.

Yes: Burfoot, Protogyrou, Smigiel, Whibley, Winn Williams and Fraim.

No: None.

With no further business before the council, Mayor Fraim adjourned the meeting at 6:45 p.m.

SEPTEMBER 25, 2012

President Fraim called the meeting to order at 8:10 a.m. with the following members present: Mr. Protogyrou, Mr. Smigiel, Dr. Whibley, Ms. Williams, Mr. Winn, Mr. Burfoot and Mr. Riddick.

He thereupon called for the first item of business.

The Manager announced the discussion of the economic development strategy has been summarized and will be distributed at the end of the retreat.

LEGISLATIVE PRIORITIES

Ron Williams, Assistant City Manager, briefed council on the process and reported as follows:

- Federal priorities are flood control and water infrastructure; surface transportation, disaster preparedness, education and veterans.
- State – priorities included requests for a continued study of strategies to mitigate flooding; to secure dedicated funding to support passenger rail and a request to allow artists under contract to the city to directly hire licensed contractors for installation of art work. Legislative priorities include opposition to lifting the moratorium on uranium mining; addressing deficiencies in the public private transportation act; seeking reliable transportation funding; and, opposition to shifting responsibility for education funding to localities.

Mr. Smigiel noted a small group of his constituents are meeting with Cindy Hall, Deputy City Attorney, to explore raising fines for code enforcement and plan to meet with Delegate Stolle and Senator Northam on this and a couple of other items. He also asked about legislation for incentives to renovate school buildings and noted a citizens group is seeking legislation to enable grandfathered properties to be cited for code violations.

Mayor Fraim distributed a handout showing city council election results since 2002. As a way to increase voter turnout, he suggested changing the mayoral election so that it coincides with Superward elections rather than Ward elections. Mr. Winn and Mr. Riddick expressed support for the notion; Mr. Smigiel said he favored moving to November elections.

Mr. Protogyrou wondered what the reason is for the low turnout in Superward elections. Ms. Williams said she believes many people do not understand the ward system. Mr. Smigiel wondered whether the proposal would increase Superward turnout and said it was worth exploring.

Dr. Whibley asked about moving to November elections saying other cities have done so and that it would be worthwhile to examine other options. It was noted this could inject party politics into council elections.

The council agreed to include the proposed mayoral election change in the public meeting to be held on the City's legislative package.

Dr. Whibley asked if any legislative requests came from the Bicycle Commission and Environmental Commission. Mr. Williams answered there were none.

Regarding bike lanes, Mr. Burfoot asked who is educating the public on bike sharrows. Mr. Williams said there will be public service announcements and literature.

ADMINISTRATIVE ORDINANCE CHANGES

The City Manager stated work is underway to review the Charter and Code and to prepare an Ordinance to update various sections of the Code that have become obsolete over time.

Ron Williams offered a more in-depth explanation of the changes. He also noted this is a change being contemplated to allow sale of alcoholic beverages in libraries. Council discussion led to a consensus to allow this for Pretlow and Slover and future anchor branch libraries.

COUNCIL BOARDS AND COMMISSIONS

The City Manager and Ron Williams reported a review has been conducted of boards and commission and the staffing requirements for them as well as which boards should be meet with council and which should submit annual reports or share minutes with the council.

The Manager noted staffing all bodies requires significant staff time and that the entities need to be examined to determine if there is duplication and if there is a continued need for all them.

Mr. Burfoot commented there are boards the council needs to meet with and thought that would be determined at the retreat.

After further discussion, Mayor Fraim recommended that he and Mr. Burfoot meet with Breck and Ron and come back to council with recommendations. Council consensus was to proceed with this suggestion.

Mr. Smigiel asked about council task forces, how members were appointed and how the task forces were established.

Mr. Riddick asked if Norfolk is included in Senator Lucas' bill for casinos and after discussion council concurred on seeking to have Norfolk included in the City's legislative package.

COUNCIL COMMITTEE STRUCTURE

Mayor Fraim led a discussion on council committees and suggested keeping the committees, have them come in at 4:00 p.m. and that all members be members of the committees.

Mr. Smigiel said council has no input on the agenda and the items are just overviews with the little meaning and no discussion about policy development.

Dr. Whibley said there's no need for a presentation with the PowerPoint of it already provided.

Ms. Williams suggested starting the work session at 3:30 or 4:00 p.m.

CLOSED SESSION

Motion for closed session was approved for purposes which are set out in Clause 1 of subsection (A) of Section 2.2-3711 of the Virginia Freedom of Information Act, as amended:

- (3) Discussion of the performance of the City Attorney, City Clerk and City Manager.

Yes: Burfoot, Protogyrou, Riddick, Smigiel, Whibley, Winn Williams and Fraim.

No: None.

At the conclusion of the meeting a Resolution certifying the closed session was adopted.

Yes: Burfoot, Protogyrou, Riddick, Smigiel, Whibley, Winn Williams and Fraim.

No: None.

With no further business before the council, Mayor Fraim adjourned the meeting at 12:40 p.m.